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City of Detroit
CITY COUNCIL

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TO: The Honorable City Council

FROM: David Whitaker, Director
Legislative Policy Division Staff

DATE: January 28, 2014

RE: **REVIEW OF CONTRACTS AND PURCHASING FILES**

Attached is the list of contracts and purchase orders recommended by the Finance Department, Purchasing Division and the Water and Sewerage Department, and submitted to the City Council for referral to the Committees on January 28, 2014.

The comments and review of the Legislative Policy Division staff are printed in bold following the contracts.

Attachments

cc:	Janice Winfrey	City Clerk
	Mark Lockridge	Auditor General
	Palencia Mobley	Mayor's Liaison
	Boysie Jackson	Purchasing Division
	Irvin Corley	Legislative Policy Division
	Marcell Todd	Legislative Policy Division

Statistics compiled for the list of Contracts and Purchases submitted for referral on January 28, 2014.

Department	No. of Contracts or Purchase Orders	Detroit-Based Business Bids	Change, Extension Increases, Renewals	Located in Detroit
CityWide Contract for Elevator Maintenance	1	0	0	0
Elections	1	0	1 Renewal	0
Finance-Assessmt.	1	0	1 Extension	0
General Services Contract for 36 th Dist. Court	1	0	0	1
Homeland Security	1	0	0	0
Public Lighting	1	0	0	0
Recreation Agreement for receipt of grant funds	1	0	0	0
Transportation	1	0	0	1
Water & Sewerage	1	0	0	1
Totals 1 Revenue Agreement	9	0 Detroit-Based Business Bids	1 Extension 1 Renewal	3

The Honorable City Council
Contracts and Purchase Orders, Statistics
Items Submitted for January 28, 2014

Page 2

This list represents appropriations totaling approximately \$ 40,777,729.00¹
1 Agreement for receipt of County funds for \$462,000.00

Included in the total costs are the following:

City General Fund	\$ 651,694.00
General Obligation Bond Fund	\$ 80,135.00
General Grant Funds	\$ 246,900.00
Transportation Grant Funds	\$ 18,000,000.00
Water & Sewerage Funds	\$ 21,799,000.00

¹ This list includes: New Contract for one-time purchases and terms of 1 to 5 years; and Extension/Renewal for 1 year.
Contracts and Purchase Orders submitted for Regular Session of January 28, 2014

TO: The Honorable City Council

FROM: David Whitaker, Director
Legislative Policy Division Staff

DATE: January 27, 2014

RE: **CONTRACTS AND PURCHASE ORDERS SCHEDULED TO BE CONSIDERED
AT THE FORMAL SESSION OF JANUARY 28, 2013**

CITY WIDE

2888061 100% City Funding – To Provide Monthly Elevator and Escalator Maintenance and Emergency Repairs – RFQ#46460 – Company: Thyssenkrupp Elevator, Location: 35432 Industrial Road, Livonia, MI 48150 – Contract Period: February 1, 2014 through January 31, 2017, with Two (2), One (1) Year Renewal Options – (32) Items – Unit Price Range from: \$158.00/Month to \$1,400.00/Month – Sole Bid – Contract Amount Not to Exceed: \$473,988.00/Three (3) Years

Costs budgeted to the departments/agencies that require the maintenance and/or repairs.

Estimated costs of \$70,500 per year, charged through General Services is budgeted to General Fund, Acct. 1000-470010-006004-622300-11830-0-A4510, Appropriation for Facilities and Grounds Maintenance includes available funding of \$5,222,859 as of January 24, 2014.

6 Bids solicited, 1 Bid received on Open Market to provide regular maintenance and emergency repairs, as necessary, for approximately 30 elevators and 2 escalators. Bidders required to have a minimum of 10 years experience; Technicians with the business required to have a journeyman's license and a minimum of 5 years experience, and experience working with various original manufacturer parts – Otis, Kone, Schindler and Thyssenkrupp.

The Only Bid received from Thyssenkrupp indicates Labor rates, during regular hours at \$290 per hour, Overtime at \$493/hour, and Sundays/Holidays at \$505 per hour. Labor rates are subject to revision at 3-year intervals. Parts provided at Cost + a 15% markup.

Costs of the monthly service rate is 80% labor and 20% materials and parts. Vendor provides a 6-month warranty on parts and labor.

Services include complete monthly maintenance services to include adjust, clean, lubricate, furnish all lubricants and when necessary repair or replace defective equipment that result from ordinary wear and tear. All parts to be used shall be genuine parts as manufactured or supplied by the original elevator manufacturer.

This proposed contract consolidates approximately 20 purchase orders for elevator maintenance, that were previously renewed for a combined total of \$134,409.72 for 1 year. This proposed contract includes additional elevators at a proposed cost of \$24,700 per year.

According to General Services, there is an Annual Savings of \$1,113.72 with this proposed contract.

Discussion continues on following page

City Wide - continued

2888061 100% City Funding – To Provide Monthly Elevator and Escalator Maintenance and Emergency Repairs – RFQ#46460 – Company: Thyssenkrupp Elevator, Location: 35432 Industrial Road, Livonia, MI 48150 – Contract Period: February 1, 2014 through January 31, 2017, with Two (2), One (1) Year Renewal Options – (32) Items – Unit Price Range from: \$158.00/Month to \$1,400.00/Month – Sole Bid – Contract Amount Not to Exceed: \$473,988.00/Three (3) Years

Discussion of this contract continued

This proposed contract includes elevators at the following locations: Coleman Young Airport; Transportation – Rosa Parks Center (elevator & escalator); Public Works; Municipal Parking – Admin. building, and garages (incl. escalator at Ford); General Services responsible for elevators at Public Lighting facilities; Recreation Centers – Young, Butzel, Belle Isle Casino, Chene Park (dumbwaiter at Amphitheater); and Police facilities – 2nd Precinct, Fort St., and Training Academy on Linwood, and at 5031 Grandy (former Human Services facility).

Covenant of Equal Opportunity Affidavit signed 11-19-13; TAXES: Good Through 2-13-14 and 6-30-14; Slavery Era Records Disclosure Affidavit signed 11-19-13, indicating business established 1925, no records to disclose; Hiring Policy Compliance Affidavit signed 11-19-13 - Employment application submitted does include question if applicant ever convicted of felony, however, also includes statement that Michigan applicants are excluded.

The proposed contract No. 2888061 replaces a number of current and expiring contracts.

PO 2852231 with Thyssenkrupp for elevator and escalator maintenance at the DOT Rosa Parks Center was approved in Nov. 2011, for a term from Nov. 1, 2011 through Oct. 2014 for \$25,884

The proposed contract continues the \$158 per month cost for the elevator, and lowers the cost for maintaining the escalator from \$561/month to \$400 per month.

Five (5) Emergency Purchase Orders to extend the maintenance for 12 elevators and 1 escalator for Municipal Parking in 5 garages and Admin. Building were authorized in February 2013, pending the approval of a new Elevator/escalator maintenance contract, for a total cost of \$54,800.

Two (2) previous contracts with Public Lighting included: 2530496 with Otis Elevator to maintain elevator at Mistersky, at \$14,220 per year, expired Dec. 31, 2013; and No. 2504969 with Schindler Elevator for an estimated annual cost of \$52,210 to maintain elevators at Grinnell expired Oct. 31, 2013.

General Services also had 2 previous contracts to maintain elevators for Recreation Centers. 2606959 provided maintenance for elevator at Butzel Center for approx. \$7,200 per year, which is included in the proposed contract.

Contract 2504148 provided elevator maintenance at Brewer, Kronk, Patton, Wheeler for an estimated \$7,600 per year expired Nov. 30, 2013. These Recreation Centers DO NOT APPEAR to be included in the Proposed Contract.

ELECTIONS

2803327 100% City Funding – To Provide a Sole Source Purchase of Billboard Advertising for the Election Department for a period of One (1) Year (March 1, 2014 through February 28, 2015) – Company: International Outdoor Inc, Location: 28423 Orchard Lake Road, Suite 200, Farmington Hills, MI 48334 – Total Estimated Cost: \$100,000.00

Costs budgeted to General Fund, Acct. 1000-710013-000037-617900-00181-0-A5060, Appropriation for Conduct of Elections includes available funding of \$2,224,495 as of January 24, 2014.

This request is for the renewal of this contract for 1 year to provide Billboard space to announce election dates and provide election information.

This contract was initially approved in October 2009 for the use of billboard advertising space at 16 locations throughout the City. The unit cost approved was \$2,500 per billboard per month. The contract was approved for a 3 year term, through March 2012, for \$250,000, with options to renew 3 additional years. During the initial 3-year term authorized costs were increased by \$5,000 to \$255,000.

The contract was renewed May 1, 2012, for \$183,037.50 (balance of \$70,537 and continued costs for advertising at \$112,000); Renewed for a 2nd year in April 2013, through March 2014, for \$125,000.

This renewal for the 3rd Year includes the posting, painting, and maintenance of the outdoor advertising at 12 locations: 8 Mile & Hubbell, 8 Mile & John R., 7 Mile & Greenfield, Gratiot & 8 Mile, 8 Mile & Hoover, 8 Mile & Hayes, Gratiot & 7 Mile, Woodward, 8 Mile & Harned, 8 Mile * Lahser, 8 Mile & Waltham, Gratiot & Conner.

Advertising space is provided for 5 ½ months for a total of \$91,112; Production cost of \$10,000; 3 Sets of “Snipes” for the 12 Boards for \$10,000 - for the total cost of \$111,112.

The vendor is providing a 10% discount for a Cost of \$100,000.

Contract checklist, received Jan. 13, 2014, indicates this contract for billboard advertising is essential to educated citizens of pertinent dates and voter information.

Covenant of Equal Opportunity Affidavit signed 12-10-12; TAXES: Good Through 3-14-14 and 6-30-14; Hiring Policy Compliance Affidavit signed 12-10-12; Slavery Era Records Disclosure Affidavit signed 12-10-12, indicating business established 1997, no records to disclose.

FINANCE

2810316 100% City Funding – To Provide Appraisal Consulting Services for: Assessments of Real Property and Leasehold for Gaming and other Commercial and Industrial Properties – Company: Heinowski Appraisal and Consulting LLC, 3549 W. Pineview Drive, Dexter, MI 48031 – Contract Period: January 1, 2014 through December 31, 2014 – Contract Not to Exceed: \$450,000.00 (Time Only)

This request is to amend the current contract to add time only (One (1) Year). The previous contract was approved by City Council on April 2, 2013 for \$450,000.00.

Costs budgeted to General Fund, Acct. 1000-230120-000075-00060-617900-0-A5020, Appropriation for Assessments includes available funding of \$4,147,205 as of Jan. 24, 2014.

This request is to Extend the contract for a period of 1 year, with no additional funding.

The contract was initially approved March 30, 2010 for a term of 3 years, through December 2012, for a cost of \$450,000 (\$150,000 per year). The contract also includes options to extend the contract term 3 additional years.

Contract services to include Commercial and Industrial Appraisal Consulting Services. The main focus indicated to be the real property and leasehold improvements of the casinos and other commercial and industrial property – initially for the 2010, 2011 and 2012 tax years. Services also to include expert testimony at any governmental hearings – board, committee or commission - judicial or quasi-judicial.

Amendment 1, extended the contract 1 year, through December 2013, with no additional funding, to provided appraisal consulting services for the 2013 tax year.

This request is for Amendment No. 2 to extend the contract an additional year, through December 2014, no additional funding is required. Contractor's main focus to provide consulting services regarding property taxation and administration for the 2012, 2013 and 2014 property tax years with respect to the assessment of real property and leasehold improvements for gaming and other commercial and industrial properties in the City. Contractor will also provide expert testimony as required.

Costs remain the same as initially approved: \$225 per hour for consulting services and \$250 per hour for required testimony, both billed on a per diem basis. Additional expenses to be approved and reimbursed.

Contract checklist, not dated, indicates this contract is essential; however no specific reasons are listed. This is indicated to be a Sole Source contract for the required services.

Covenant of Equal Opportunity Affidavit signed 11-7-13; TAXES: Good Through 1-15-15 and 6-30-14; Hiring Policy Compliance Affidavit signed 11-7-13; Slavery Era Records Disclosure Affidavit signed 11-7-13, indicating no records to disclose.

GENERAL SERVICES/36th DISTRICT COURT

2888192 100% City Funding – To Provide Commercial General Liability and Commercial Umbrella Insurance – REQ#292684 – Company: AON Risk Services, Location: 3000 Town Center, Suite 3000, Southfield, MI 48075 – Contract Period: February 2, 2014 through February 2, 2015 – (1) Item – Sole Bid – Contract Amount Not to Exceed: \$77,706.00/One (1) Year

Costs budgeted to General Fund, Acct. 1000-470115-006004-626300-13351-0-A4510, Appropriation for 36th District Court includes available funding of \$185,123 as of Jan. 24, 2014.

This request is for approval of a New Contract to provide for the continuation of the Liability and Commercial umbrella Insurance required for the 36th District Court/Madison Center.

This insurance coverage provides General Liability for up to \$1 Million Primary coverage and \$10 Million Excess Liability coverage. The Underwriter continues to be Hartford Casualty Insurance for both types of coverage. The primary coverage for \$1 Million in General Liability is proposed for a cost of \$62,039; the Umbrella Excess coverage for up to \$10 Million is proposed for a cost of \$15,067. There is a \$300 Administrative Charge for each type of coverage for a total of \$600. Coverage is provided through Feb. 2, 2015.

The cost of \$77,706 is an increase of 4.12% from the previous cost of \$74,634 (Contract 2874533) for the term from Feb. 2, 2013 through Feb. 2, 2014. It is suggested in the Purchasing File, this increase is greater than the 3.8% average rate increase due to the underwriter's comfort level with the financial condition of the City.

Previous costs include: period from Feb. 2012 through Feb. 2, 2013 (Contract 2860184) was for \$71,163; the period from Feb. 2011 through Feb. 2, 2012 (Contract 2841567) for \$74,166; for the period from Feb. 2010 through Feb. 2011 for \$81,618.

AON Risk Services has been the City's insurance agent for the current and previous contracts.

Contract checklist, received Jan. 21, 2014, indicates this contract is essential to provide insurance coverage for the 36th District Court facility.

Covenant of Equal Opportunity Affidavit signed 3-20-11; TAXES: Good Through 4-13-14 and 6-30-14; Hiring Policy Compliance Affidavit signed 7-18-12; Slavery Era Records Disclosure Affidavit signed 7-13-11, indicating no records to disclose.

HOMELAND SECURITY

2886868 100% Federal Funding – To Provide a Sole Source Purchase for Infrared Camera and Video System for Helicopter Response for the Detroit Police Department – Company: Flir Systems Inc., Location: 25 Esquire Road, N., Bollerica, MA 01862 – Total Estimated Cost: \$246,900.00

Costs budgeted to General Grants Fund, Acct. 3601-374631-310100-644100-13618-0-A1100, Appropriation for 2011 Homeland Security Grant includes available funding of \$604,848 as of January 24, 2014.

This contract was authorized as a Sole Source by Purchasing on Nov. 21, 2013; no bidding was required.

Flir Systems is indicated to be the only manufacturer and distributor of this Infrared Camera and Video System, that includes several unique features such as continuous zoom, which is not available in systems from other manufacturers, according to Flir Systems.

Contract checklist, dated Nov. 21, 2013, indicates this contract is essential to provide an additional tool to the Police Dept. to allow helicopter pilot to locate suspects using the infrared camera and video imaging and provide that information to officers on the ground. According to Homeland Security, this system can also be used to assist Fire and EMS during search and rescue operations.

Covenant of Equal Opportunity Affidavit signed 11-7-13; TAXES: Good Through 12-9-14 and 6-30-14; Hiring Policy Compliance Affidavit signed 11-7-13; Slavery Era Records Disclosure Affidavit signed 11-7-13, indicating business established 1978, no records to disclose.

PUBLIC LIGHTING

2884757 100% City Funding – To Provide Stationary and Battery Chargers – RFQ#46727 – Company: Storage Battery Systems Inc., Location: N 56 W 16665 Ridgewood, Menomonee Falls, WI 53051-5686 – (3) Items – Unit Price Range from: \$3,953.00/Each to \$11,494.00/Each – Lowest Total Bid – Contract Amount Not to Exceed: \$80,135.00/One-Time Purchase

Costs budgeted to General Obligation Bond Fund, Acct. 4510-380801-003142-632100-11492-0-A4570, Appropriation for Mich. Ave. Lighting includes available funding of \$365,264 as of January 24, 2014.

6 Bids solicited, 2 Bids received on Open Market for the purchase of 4 Stationary Batteries and 4 Battery chargers, to be used to provide back-up power at 4 substations: Philip substation at 3279 Philip, Labelle substation at 2525 Ewald Circle, Joy Road substation at 2731 Joy Road, and Conner substation at 9945 Conner.

This recommendation is with the Lowest Bid received from Storage Battery Systems for the one-time purchase cost of \$80,135, for batteries and chargers manufactured by Storage Battery Systems.

Second bid received from Ancona Controls for \$110,809.

The purchase cost includes: Stationary battery for \$11,495 each; Chargers for \$3,953 each; Wiring for \$8,175; Rack installation for \$3,995; Removal of old batteries for \$3,885; Shipping for \$2,288. Equipment includes full warranty for 1 year; the warranty is prorated for years 2 through 15.

The electrical services provided by PLD to customers will be transferred to DTE over a period of 6 to 8 years, according to the Delivery Services Agreement recently approved with DTE. The substations, used to transfer electricity, to the PLD customers are required to be maintained until the customers are transferred to the DTE lines.

Contract checklist, received Jan. 13, 2014, indicates this contract is essential to Department operations to ensure power can be provided to customers.

Covenant of Equal Opportunity Affidavit signed 10-24-13; TAXES: Good Through 1--9-15 and 6-30-14; Hiring Policy Compliance Affidavit signed 10-25-13; Slavery Era Records Disclosure Affidavit signed 10-24-13, indicating business established 1915, no records to disclose.

A previous contract for purchase of 4 Substation batteries and chargers was approved in November 2012, with Hercules & Hercules for a cost \$92,800 (No. 2869029).

RECREATION

2886367 100% Wayne County Funding/Intergovernmental Agreement – To Provide Park Improvements-Various Parks and Playgrounds – Company: Wayne County-Division of Parks, Location: 33175 Ann Arbor Trail, Westland, MI 48185 – Contract Period: Upon Emergency Manager's Approval through Completion of the Project – Contract Not to Exceed: \$462,000.00

Wayne County's funding obligation ends after Two (2) Years. The term of the agreement is open-ended so long as the improvements to the areas remain operational and open to all members of the public.

Account Number has not been designated where this funding will be recorded.

This proposed Intergovernmental Agreement is for the transfer of funding from Wayne County to provide Improvements to Parks and Playgrounds as submitted by the County Executive on September 13, 2013 and approved by the Wayne County Commission on November 7, 2013.

The parks and playgrounds, improvements and costs are indicated to include:

Kemeny Playfield – combination basketball/tennis court, improvements to walking trail for \$50,000;

Clark Park – improvements to Ice Rink lighting for \$45,000;

Lollo Memorial Playlot - improvements to playground equipment for \$45,000;

Edmore-Marbud Playground – install walkways, playground protective surface and improvements to fencing for \$47,000;

Chandler Park – improvements to Football Field for \$70,000;

Conant-Minnesota Playground – repairs to playground surfacing, basketball court and site furnishings for \$30,000;

Henderson Park – install new Playground equipment with new surface and accessible walk for \$125,000;

St. Martins – replace existing walks, install benches and trash receptacles for \$50,000.

Funding from the County is available for a period of 2 years, following approval by the City Council and Mayor. If City fails to complete the Project within 2 years, the County is under no further obligation to provide any remaining funds committed in this Agreement.

Contract checklist, dated January 14, 2014, indicates this Agreement is essential to receive the County grant of funds for repairs and improvements to recreation areas, prevent blight and unsafe conditions.

Clearances and Affidavits are not required for a contract with another governmental agency.

2 Intergovernmental Agreements, submitted in March 2013, for Park Improvement funds from Wayne Co. included: No. 2869516 for \$80,000 for improvements to Chandler Park baseball diamonds; and No. 2872888 for \$80,000 to provide improvements at Stoepel No. 1 Park.

TRANSPORTATION

2884472 80% Federal Funding, 20% State Funding – To Provide Transportation Planning and Engineering Services – Company: Parsons Brinckerhoff Michigan, Inc., Location: 500 Griswold, Suite 2900, Detroit, MI 48226 – Contract Period: Upon City Council Approval through Five (5) Years Thereafter, with Five (5), One (1) Year Renewals – Contract Increase: \$17,500,000.00 – Contract Not to Exceed: \$18,000,000.00

Costs budgeted to Transportation Grants Fund, Acct. 5303-208412-000058-614100-10330-0-DOT51, Appropriation for Fed./State Capital Grants includes available funding of \$138,886,908 as of January 24, 2014.

The estimated cost for the 5-year term of this contract is \$18,000,000; the reference to the contract increase is an error.

This proposed contract, for a term of 5 years, with Parsons Brinckerhoff Michigan is to provide a broad range of professional services including: Architectural, Engineering, Design, Planning and Management – according to the Department, these are areas of expertise the current Dept. of Transportation staff does not possess. Specific services may include: Construction management, Route evaluations/Fare Assessments, Preparing Capital Agendas, Paratransit Planning, Legislation and Policy analysis, Innovative technology.

The Department proposes to have multiple contracts in place to offer these same services. The Department will request all contractors with the Department to propose pricing and costs to complete specific work orders or projects. According to the Department, there is currently a contract for general Transportation Planning and Engineering Services with URS, so there is no competition at this time. The Department hopes to submit additional contracts as the businesses respond and provide all required clearances and affidavits. Previously, 7 Businesses were evaluated and ranked in 9 areas. Parsons Brinckerhoff received the 2nd highest ranking.

The hourly rate for various Employee Classifications with Parsons Brinckerhoff (includes the hourly rate, Overhead at 156% and Profit at 10%) ranges from \$238.97 for Manager/Operations to \$62.80 for Administrative Assistant.

The contract also includes the following Sub-contractors: BBF Engineering Services, Archive DS, Scales & Associates, Hamilton Anderson, Applied Power and Controls, Nustats, Metco Services, Somat Engineering, ABE Associates, The Mannik & Smith Group.

Contract checklist dated Nov. 22, 2013, indicates this contract is essential for engineering and planning services and expertise that DDOT staff does not possess.

Covenant of Equal Opportunity Affidavit signed 8-9-13; TAXES: Good Through 8-23-14 and 6-30-14; Hiring Policy Compliance Affidavit signed 8-9-13; Slavery Era Records Disclosure Affidavit signed 8-9-13, indicating business established 1978, no records to disclose.

Other contracts awarded with Parsons Brinckerhoff include: No. 2841740 with DPW for Link-Detroit Projects, through December 2017 for \$1,879,098.91; and No. 2841463 2841463 with DPW for bridge design, engineering and inspection, for 3 years through Dec. 2014, for \$1,000,000.

WATER and SEWERAGE DEPARTMENT

2885194 100% DWSD Funding (PC-793) – Specialized Process and Facilities Equipment Purchase, Installation and Maintenance Services at Various Water Treatment Plants, Water Booster Stations, Sewage Pumping Stations and Other Related Facilities – Lakeshore Global Corporation, 7310 Woodward Avenue, Suite 500, Detroit, Michigan 48202 - Contract Period: March 1, 2014 through February 28, 2017 – Contract Amount Not to Exceed \$21,799,000.00

The estimated costs of \$21,799,000 is budgeted for a term of 3 years, over a period of 4 fiscal years as follows:

Fiscal year 2013-2014 for \$3,633,167; Fiscal year 2014-2015 for \$7,266,333;

Fiscal year 2015-2016 for \$7,266,333; and Fiscal year 2016-2017 for \$3,633,167.

This contract was advertised on July 19, 2013 in multiple locations; 3 Bids were received and opened on August 15, 2013. This recommendation is for the Lowest Bid received from Lakeshore Global Corporation for \$21,799,000.

Other Bids received include: DeMaria, Inc. for \$23,987,262.60; and Joint Venture of D4 Enterprises and Barton Malow for \$26,142,103.20.

This contract is for the skilled trades services to assist the Water and Sewerage Department by providing a variety of skilled trades to complete major corrective maintenance. This allows the Department's skilled trades staff too provide regular preventative maintenance and some minor corrective maintenance work.

This contract is to supplement the Department's skilled trades labor to expedite projects.

This contract is intended to expedite services for specialized maintenance; Services indicated to include: pump repair/rebuild, motor repair/rewind, valve repair/rebuild, troubleshooting and repair of motor drives, boiler maintenance, roofing repair, overhead crane inspection and repairs, repair services for heavy and specialty equipment, emergency generator repairs, Repairs to heating, ventilating and air conditioning equipment, elevator repair services, grounds maintenance, snow removal services, fence repairs, balancing services for field equipment.

Tools and working supplies are usually furnished by the contractor; Contractor may be required to furnish a limited amount of material in events of emergency or critical need, estimated at \$300,000 per year.

Contractor may be required to provide, through a lease or rental, heavy equipment and vehicles for use of DWSD, also estimated at \$300,000 per year.

Contractor must be able to provide machine shop services required to make repairs throughout all DWSD facilities, including boring, milling, surface grinding, key cutting, and lathe cutting.

Discussion continues on following page

Water and Sewerage Department - *continued*

2885194 100% DWSD Funding (PC-793) – Specialized Process and Facilities Equipment Purchase, Installation and Maintenance Services at Various Water Treatment Plants, Water Booster Stations, Sewage Pumping Stations and Other Related Facilities – Lakeshore Global Corporation, 7310 Woodward Avenue, Suite 500, Detroit, Michigan 48202 - Contract Period: March 1, 2014 through February 28, 2017 – Contract Amount Not to Exceed \$21,799,000.00

Continued Contract Discussion

To expedite services, the contractor may employ the services of 1 or more subcontractor , for specialized repairs, with prior approval of DWSD; or when required by DWSD, the contractor shall procure bids for services of a specialized maintenance subcontractor.

The contractor is required to provide a Project Manager for overall management of the work performed under this contract; the contractor to also provide a Superintendent for the work, who reports to the Project Manager.

In addition, only as and when required by Union Contracts, a general foreman or working foreman shall be provided for certain work assignments.

The contract base price is indicated to be \$5,899,000. The contract costs also includes the following Allowances: Equipment Allowance for \$900,000; Material Allowance for \$1,500,000; Provisionary Allowance for Specialized Subcontractor Maintenance of \$13,500,000

Lakeshore Global Corporation is affiliated with Lakeshore Engineering, however this is indicated to be a separate company.

Covenant of Equal Opportunity Affidavit signed 8-23-13; TAXES: Good Through 5-2-14 and 6-30-14; Affirmation of contractor that the Prevailing Wages, as set by the State of Michigan, will be paid by the contractor and all subcontractors, signed October 9, 2013; Board of Water Commissioners approved on October 23, 2013.

Previous contract for these same services, to provide a variety of specialized skilled trades maintenance services, provide equipment and materials was previously provided through (PC-779) Contract 2820515 with Lakeshore Engineering, approved July 27, 2010 for a cost of \$22,759,651 over the same term of 3 years. According to the Department, the current contractor, Lakeshore Engineering has been crucial in providing specialized maintenance services for critical pumping equipment to operate at 90% of the time or higher, to better ensure that clean water is available to customers with adequate pressure; and to be able to transport sewer flows back to the Wastewater Treatment Plant.